

INFORMATION NOTE

Nottingham Express Transit

1. Background

1.1 This note provides information regarding the fare determination method of the Nottingham Express Transit (NET).

2. Basic information

2.1 NET is a light rail system serving the Nottingham area in England. Its first line was opened on 9 March 2004, at a cost of £200 million (HK\$2.72 billion). This line is 14 km long, of which 4 km is on-street, generally in dedicated lanes. The other 10 km runs alongside a railway line.

2.2 The promoters of NET, the Nottingham City Council and the Nottinghamshire County Council, jointly awarded a private finance initiative concession to the Arrow Light Rail Ltd. (Arrow) for a period of 30.5 years. Arrow's funding for the construction of NET was met by bank loans, sponsor equity and grants. The loans would be paid back during the operating period from performance-related payments from the promoters and revenue from fares.

2.3 Arrow is a special purpose company formed to design, build, fund, operate and maintain NET. Arrow is owned by six partners, including the Transdev (a leading operator of integrated urban transport systems in Europe), the Nottingham City Transport (a leading bus operating company in the Nottingham area), the Bombardier (a transit system provider) and other investment companies. Arrow has also let a contract to the Nottingham Tram Consortium (NTC), comprising the Transdev and the Nottingham City Transport, who will operate and maintain NET for 27 years.

2.4 Along NET, there are 23 stops with six park-and-ride sites. It is free to park at all park-and-ride sites.

2.5 There are plans for extensions, which would consist of two new lines from the city centre. Work on these lines, comprising two phases, is expected to begin in 2006.

3. Fare structure

3.1 NET tram tickets are sold on board by a conductor. There are two types of adult ticket for single journeys. Single journeys between four particular southbound stations (between the Station Street and the Royal Centre) cost £1 (HK\$13.6). All other single journeys cost £1.20 (HK\$16.3). There are also tickets for children and for group travels (one or two adults and up to three children under 16 years).

3.2 There are trams only tickets for all-day and all-week travels. An all-day ticket for trams only costs £2.2 (HK\$29.9). An all-week ticket for trams only costs £10 (HK\$136). There are also tickets for traveling all day on both trams and buses.

4. Fare determination method

4.1 Both the fares and the means for determining the fares of NET are not regulated by legal means. According to NTC, the existing level of fares was a commercial decision based on the general level of fares in the public transport market.

4.2 Neither the City Council nor NTC has the power to change the fares. Only Arrow has this power. There are no channels for the public to participate in the fare determination process.

4.3 According to NTC, the major factors that are considered when determining the fares are the local competition (such as buses operating in the local area) and inflation. Fares do not automatically go up just because of inflation.

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References

1. *Arrow Light Rail Ltd.* Available from: <http://www.nottinghamexpresstransit.com/arrowlightrail/index.htm> [Accessed 5 December 2005].
2. *Nottingham Tram, Nottingham Express Transit.* Available from: <http://www.thetram.net/> [Accessed 1 December 2005].